

Message Text

UNCLASSIFIED

PAGE 01 BRASIL 06126 211224Z

53

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 FSE-00 ABF-01 OPR-02 CIAE-00

INR-10 NSAE-00 RSC-01 COME-00 FRB-02 TRSE-00 XMB-07

AID-20 DRC-01 /072 W

----- 025846

R 211130Z SEP 73

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 9757

INFO AMCONSUL RECIFE

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS BRASILIA 6126

E.O. 11652: N/A

TAGS: EFIN, BR

SUBJECT: CRUZEIRO DEVALUATION

REF: BRASILIA 4298

1. CENTRAL BANK ANNOUNCED EFFECTIVE SEPTEMBER 20 NEW CRUZEIRO RATES AGAINST DOLLAR OF 6.12 BUYING AND 6.16 SELLING. PREVIOUS RATES WERE 6.09 AND 6.13 ESTABLISHED JULY 9. AT 6.12 CRUZEIRO STILL REMAINS BELOW PREVIOUS HIGH WHICH WAS 6.18 (BUYING RATE) FOR PERIOD DECEMBER 15, 1972 TO FEBRUARY 14, 1973.

2. ANNOUNCEMENT DID NOT GIVE REASONS FOR ACTION. HOWEVER, REPORTS IN FINANCIAL COMMUNITY HAVE INDICATED THAT OVER PAST FEW WEEKS MARKET OPERATORS HAVE BEEN EXPECTING MINI-DEVALUATION OF CRUZEIRO. SIZE OF LATEST DEVALUATION (0.492 PERCENT) AND PERIOD SINCE LAST CHANGE (72 DAYS) REFLECTS SLOWER PACE OF EXCHANGE RATE ADJUSTMENT FOLLOWED BY MONETARY AUTHORITIES SINCE 3 PERCENT REVALUATION AGAINST DOLLAR IN FEBRUARY (BRASILIA 857).
CRIMMINS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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30 JUN 2005

Review Media Identifier:
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TAGS: EFIN, BR
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